

**IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

Kal Freight Inc., *et al.*,

Debtors.¹

Chapter 11

Case No. 24-90614 (CML)

(Jointly Administered)

**DEBTORS' OBJECTION TO EMERGENCY MOTION OF
THE UNITED STATES TRUSTEE TO CONVERT CASES TO CHAPTER 7**

(Related Docket No. 606)

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) hereby file this objection (this “Objection”) in response to the *Emergency Motion of the United States Trustee to Convert Cases to Chapter 7* [Docket No. 606] (the “Motion”).

The Debtors submit that, in light of the global settlement reached between the Debtors, the Official Committee of Unsecured Creditors, and the Debtors’ principal creditor constituents and the pending sale of certain of the Debtors’ assets, the Motion either should be withdrawn or continued to the confirmation hearing on the Debtors’ proposed chapter 11 plan.

The Debtors object to the Motion because conversion of these cases would be a disastrous outcome for all constituents and leave these estates administratively insolvent. All of the principal parties with an economic stake in these cases unanimously agree.

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor’s federal tax identification numbers, are: KAL Freight Inc. (0249); KAL Aviation LLC (2600); KAL Partz Inc. (0139); KAL Trailers & Leasing Inc. (0840); and KVL Tires Inc. (0320). The location of the Debtors’ service address in these Chapter 11 cases is 10156 Live Oak Ave., Fontana, CA 92335.

WHEREFORE, the Debtors respectfully request that this Court continue or deny the Motion, sustain this Objection, and grant such other and further relief as is just and proper under the circumstances.

Dated: March 11, 2025

PACHULSKI STANG ZIEHL & JONES LLP

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Certificate of Service

I certify that on March 11, 2025, I caused a copy of the foregoing document to be served via the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Teddy M. Kapur

Teddy M. Kapur